

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6308**

**BILL NUMBER:** SB 84

**NOTE PREPARED:** Feb 10, 2009

**BILL AMENDED:** Feb 5, 2009

**SUBJECT:** Rename Department of Workforce Development.

**FIRST AUTHOR:** Sen. Kruse

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill changes the name of the Department of Workforce Development (Department) to the Department of Workforce Development and Unemployment Insurance.

The bill provides that no action may be taken to resolve a disputed claim for unemployment insurance benefits (claim) until the affected employer: (1) has actual knowledge of the date, time, and place of the hearing or other action; and (2) receives complete information about the rules of evidence and standards of proof that will be used to determine the validity of the claim.

The bill requires the Department to adopt rules concerning the conduct of administrative law judges, review board members, and other individuals who adjudicate claims during a hearing or other adjudicative process. It requires the Department to provide training at least annually for individuals who adjudicate claims on unemployment compensation law, rules for the conduct of hearings and appeals, and rules of conduct during a hearing or other adjudicative process. The bill provides that an individual who does not strictly adhere to the law and rules is subject to discipline, up to and including suspension and termination.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** (Revised) There could be some cost to changing signs and documents. The additional cost would probably be minor and could be done within existing appropriations.

The Department could incur some additional administrative expenses associated with notice of disputed claims for unemployment insurance and for the adoption of rules of conduct of administrative law judges, review board members, and other individuals who adjudicate claims and for providing specified training.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. As of January 2, 2009, the Department had 47 vacant positions valued at about \$1.3 M. Of the 47 positions, only 16 had been vacant for more than three months. The Department reverted \$128,326 to the state General Fund on June 30, 2008. The primary source of funding for the Department is federal dollars.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.